



**CITY OF NEWARK, CALIFORNIA**

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Cathy Creswell, Deputy Director  
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HOUSING POLICY  
DEVELOPMENT, HCD  
JUL 27 2007

Subject: ANNUAL HOUSING ELEMENT REPORT FOR THE CITY OF NEWARK

Dear Ms. Creswell:

Attached is the Annual Housing Element report for the City of Newark for the year 2006. I apologize for the delay in submitting this report. Please let me know if you have any questions.

Sincerely yours,

  
Terrence Grindall  
Community Development Director

Attachment



## **2006 ANNUAL HOUSING ELEMENT REPORT FOR THE CITY OF NEWARK**

Newark's adopted Housing Element includes ten programs. The summary below describes each program's progress to date, focusing on actions taken during 2006.

### **Program 1: Multifamily Housing Conservation and Rehabilitation**

This program was intended to provide assistance to some of the multifamily developments in the city that are in need of rehabilitation. In 2005, Newark contracted with Alameda County for an inventory and inspection of 82 multifamily complexes to identify rehabilitation needs and document the conditions of the complexes. The survey identified 14 complexes that are in need of serious rehabilitation.

At the same time, the city researched what would be needed to run a successful rehabilitation program, and found that current city staff would not be sufficient to create a program. Instead, the city talked with Alameda County and reached an agreement whereby the city could utilize the County's multifamily rehabilitation program by providing additional marketing and funding. The city set aside a total of \$31,592 in CDBG funds to assist with administration of the program and funding of a project.

Starting in 2005 and continuing through 2006, the city made information about the multifamily rehabilitation program available at City Hall and on the city's website. In addition, the city contacted each of the property owners of the 14 multifamily complexes that most need rehabilitation. One property owner asked for further information. However, no property owners had applied to participate in the program by the end of 2006.

### **Program 2: Inclusionary Housing**

The City of Newark adopted an inclusionary housing program in June of 2004 that requires 15% of all new housing units in developments with 5 or more units to be provided at prices that are affordable to low or moderate income households.

Since adoption of the program, the city has posted information about the program on the city's website and has provided further information to developers upon request. However, Newark is largely built out, and there have not been any residential developments with 5 or more units constructed in the last few years.

### **Program 3: Sites for Senior Housing**

Because Newark needs additional housing for low and very low income seniors, this program called for the city to apply for funds to acquire a site and seek a non-profit developer to design and build affordable housing.

Over the course of three years, starting in 2003, the city set aside a total of \$154,261 in CDBG funds that could be used for site acquisition. In addition, the city has an affordable housing impact fee that is imposed on commercial and industrial developers, with \$271,598 in the fund at the end of June of 2006. These funds were set aside with the

intent of using them to leverage additional state and federal money to acquire a site. City staff has also explored the possibility of applying for HOME funds through Alameda County.

In addition to collecting funds and looking for funding sources, city staff has also met with several non-profit developers, including Satellite Homes, Eden Housing, and Bridge, to discuss whether they would be interested in building a project in Newark.

#### **Program 4: Local Rent Subsidies**

Newark has long been a city with relatively affordable rents, and therefore good use of Section 8 rental vouchers. In order to counteract rent increases, the housing element proposed a program to provide rent subsidies, much like the Section 8 program. City staff has explored the potential cost of such a program and potential funding sources, as well as the staff effort that would be need. This program has been stalled both because of a lack of adequate funds and a lack of staff time.

In 2006, staff identified two potential options for working within these constraints. One possibility would be to work with ECHO Housing to expand their Rental Assistance Program to Newark. This program provides guarantees for security deposits and delinquent rents in order to help prevent homelessness. Another avenue would be to talk with the Alameda County Housing Authority to see if the city could use funds in conjunction with the Section 8 Program, either by providing tenants with a deeper subsidy or providing a subsidy to people on the Section 8 waiting list until Section 8 funds become available.

#### **Program 5: Home Ownership Assistance**

In 2005, Newark contracted with the Bay Area Homebuyer Agency and First Home, Inc., to establish and run the city's First-time Homebuyer Program. This program includes free homebuyer education workshops and access to free homebuyer counseling. In addition, the city set aside \$90,000 in CDBG funds for low-interest, deferred-payment loans of up to \$60,000 that eligible buyers could use for down payment assistance. This program continued through 2006.

Approximately 150 households have attended the homebuyer seminars, and around 30 households have received free homebuyer counseling. At least six households were then able to purchase homes using established state and federal homebuyer resources. In general, however, the city has found that because CDBG funds are being used for the down payment assistance, the income limits are too low to make purchase of a house in Newark feasible, even with the assistance.

#### **Program 6: Shelter Capacity Increases**

The city completed an analysis of homeless shelter capacity and demand in 2005, which found that there is currently a shortage of approximately 10-15 beds for homeless people per night. City staff has talked with staff at Second Chance, the only homeless shelter in Newark, and has discussed the possibility of expanding the shelter. However, consultation with city engineers has shown that the existing shelter probably could not be

expanded without tearing down the whole structure and building a new one. Instead, a new site may be needed. The city has started to explore potential sites and to find out about possible funding sources. At the same time, the city is carrying out significant maintenance and upgrade work at the existing Second Chance Shelter to ensure the continuation of this facility in Newark.

#### **Program 7: Land Use Changes**

This program called for a number of zoning changes in the city, as well as a couple of General Plan amendments. The first amendment was completed in 2003, and the most recent amendment was in early 2007. As of June 2007, a total of 39 parcels of land had been rezoned.

In some parts of Newark, however, a long-range planning effort is underway or anticipated. Parcels in these parts of the city will be rezoned once the plans have been prepared in order to ensure that the new zoning will be consistent with these plans.

#### **Program 8: Reuse of Site #55**

Site #55 consists of 24 acres along Cedar Boulevard that are currently in light industrial use. The housing element calls for this site to be changed to high-density residential use. In 2004, the city completed a feasibility study for this conversion that identified the need for more detailed studies of issues such as traffic and hazardous materials contamination, but found that the site could probably be converted to residential use.

Opposition from some property owners and neighbors to rezoning the land was significant. As a result, the city decided to work with those property owners interested in changing the use of their land to residential, and to process a rezoning request together with a proposal for a specific development, so that neighbors could see exactly what could be done on the site. City staff have continued to work with one property owner in particular and an interested developer during 2006, and hopes to see a proposal for at least half of the site in 2007.

#### **Program 9: Analyze, Address and Remove Constraints to Housing for Persons with Disabilities**

In order to comply with SB 520, which took effect in 2001, city staff did a detailed analysis of constraints to housing for persons with disabilities. This analysis was completed in 2005, and the zoning ordinance was amended to address these constraints early in 2006. These amendments were comprehensive, and included revising definitions in the ordinance, adjusting the districts in which uses were allowed, changing parking requirements, and related actions.

#### **Program 10: Monitor and Address Impacts of Requiring a CUP for Multifamily Projects**

In order to ensure that Newark's requirement for a conditional use permit for all multifamily projects with more than five units does not constrain the production of housing in the city, in 2004 city staff carried out a detailed study of the six most recent applications for CUPs. The analysis identified a few ways in which the CUP process

could potentially constrain housing, and checked to see if these applications were constrained in those ways.

The report suggested that one of the applications may have been constrained by additional design requirements imposed as part of the CUP process, but cautions that the city needs to track the impacts on future applications to determine whether this is a pattern that needs to be addressed in order to mitigate constraints on multifamily housing development. City staff will be monitoring these results each year or so depending on the number of applications that are received each year.